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ROBINSON COTTON MILLS
LIMITED



Forty-Sixth Annual Report

Year ended December Thirty-First

1969



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ROBINSON COTTON MILLS LIMITED

TO THE SHAREHOLDERS:

The Directors present herewith the 46th Annual Report of your Company and the Financial and related Statements for the fiscal year ended December 31, 1969.

Your attention is directed to the Auditors Report and to the notes to the Financial Statements.

The revenue shown reflects rentals received and expenses recovered from the supplying of services to the Lessees of your Woodbridge mill buildings which were completely rented as of December 31, 1969.

The land, buildings and equipment were sold to Juniper Investments Limited as of February 1, 1970, (see note 4 to the Financial Statements).

Your Directors express their appreciation to the management and employees for their full co-operation throughout the year.

On Behalf of the Board

W. H. ROBINSON

President and Managing Director

May 15, 1970.

ROBINSON CO

LIMITED

(Incorporated under the laws of the Province of Ontario)

Balance Sheet

December 31, 1969

(with comparative figures for 1968)

ASSETS

	1969	1968
CURRENT ASSETS		
Cash and short-term deposit.....	\$ 15,542	\$ 23,735
Accounts receivable.....	35,001	30,403
Mortgage interest receivable.....	1,990	2,021
Prepaid expenses.....	11,416	5,990
	<u>63,949</u>	<u>62,149</u>
7% MORTGAGE RECEIVABLE, maturing March 15, 1973.....	<u>97,000</u>	<u>99,000</u>
FIXED ASSETS, AT COST (notes 1 and 4)		
Land.....	5,568	5,568
Buildings.....	785,206	785,206
Equipment.....	91,940	91,940
Trucks.....	12,664	12,664
	<u>895,378</u>	<u>895,378</u>
Less accumulated depreciation.....	574,068	573,296
	<u>321,310</u>	<u>322,082</u>
	<u>\$482,259</u>	<u>\$483,231</u>

APPROVED BY

W. W. ROBINSON, *Director*

AUDITORS'

To the Shareholders of

ROBINSON COTTON MILLS LIMITED

We have examined the balance sheet of Robinson Cotton Mills Limited as at December 31, 1969 and the results of its operations and the source and application of funds for the year then ended. Our examination included a review of the accounting records and other supporting evidence as we considered necessary in the circumstances.

Subject to the omission of depreciation indicated in note 1, we report that in our opinion the balance sheet and the results of its operations and the source and application of funds are presented fairly in accordance with the accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada

February 7, 1970

OTTON MILLS

ATED

ne laws of Ontario)

Sheet

31, 1969

at December 31, 1968)

LIABILITIES

	1969	1968
CURRENT LIABILITIES		
Loan from director (note 2).....	\$160,000	\$220,000
Accounts payable and accrued liabilities.....	9,891	10,505
Income taxes payable.....	8,548	762
	<u>178,439</u>	<u>231,267</u>
DEFERRED INCOME TAXES.....	<u>9,823</u>	<u>1,178</u>

SHAREHOLDERS' EQUITY

CAPITAL STOCK		
Authorized		
140,000 3% Non-cumulative preference shares redeemable at par value of \$5 per share		
300,000 Common shares of no par value		
Issued		
150,000 Common shares.....	292,000	292,000
RETAINED EARNINGS (<i>deficit</i>).....	1,997	(41,214)
	<u>293,997</u>	<u>250,786</u>
	<u>\$482,259</u>	<u>\$483,231</u>

THE BOARD

W. H. ROBINSON, *Director*

REPORT

December 31, 1969 and the statements of income, retained earnings (deficit) and
general review of the accounting procedures and such tests of accounting records

our opinion these financial statements present fairly the financial position of the
and application of its funds for the year then ended, in accordance with generally
ling year.

THORNE, GUNN, HELLIWELL & CHRISTENSON
Chartered Accountants

ROBINSON COTTON MILLS LIMITED

STATEMENT OF INCOME

Year ended December 31, 1969
(with comparative figures for 1968)

	1969	1968
Revenue.....	<u>\$463,809</u>	<u>\$428,784</u>
Expenses		
Depreciation, trucks and equipment.....	772	1,101
Other expenses.....	<u>404,558</u>	<u>391,480</u>
	<u>405,330</u>	<u>392,581</u>
Income before undernoted items.....	58,479	36,203
Interest earned.....	<u>11,830</u>	<u>11,173</u>
Income before income taxes.....	<u>70,309</u>	<u>47,376</u>
Income taxes		
Current.....	18,453	7,075
Deferred.....	<u>8,645</u>	<u>7,572</u>
	<u>27,098</u>	<u>14,647</u>
Income before extraordinary item.....	43,211	32,729
Gain on sale of land.....		172,720
NET INCOME FOR THE YEAR (note 1).....	<u>\$ 43,211</u>	<u>\$205,449</u>

STATEMENT OF RETAINED EARNINGS (DEFICIT)

Year ended December 31, 1969
(with comparative figures for 1968)

	1969	1968
Deficit at beginning of year.....	\$ 41,214	\$246,663
Net income for the year.....	43,211	205,449
RETAINED EARNINGS (<i>deficit</i>) AT END OF YEAR.....	<u>\$ 1,997</u>	<u>\$(41,214)</u>

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

Year ended December 31, 1969
(with comparative figures for 1968)

SOURCE OF FUNDS	1969	1968
Operations		
Net income for the year.....	\$ 43,211	\$205,449
Add items not involving a current outlay of funds		
Deferred income taxes.....	8,645	7,572
Depreciation.....	<u>772</u>	<u>1,101</u>
	<u>52,628</u>	<u>214,122</u>
Profit on sale of land.....	<u>52,628</u>	<u>172,720</u>
	<u>52,628</u>	<u>41,402</u>
Proceeds on sale of land, net of mortgage, \$100,000.....		86,026
Repayment on principal of mortgage.....	<u>2,000</u>	<u>1,000</u>
	<u>54,628</u>	<u>128,428</u>
APPLICATION OF FUNDS		
Additions to fixed assets.....		2,986
DECREASE IN WORKING CAPITAL DEFICIENCY.....	<u>54,628</u>	<u>125,442</u>
WORKING CAPITAL DEFICIENCY AT BEGINNING OF YEAR.....	169,118	294,560
WORKING CAPITAL DEFICIENCY AT END OF YEAR.....	<u>\$114,490</u>	<u>\$169,118</u>

ROBINSON COTTON MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 1969

1. DEPRECIATION POLICY

Since 1960 no depreciation has been provided on the mill building. Normal depreciation would have been as follows:

1969	\$ 10,413
1968	10,961
Prior years	<u>94,696</u>
	<u>\$116,070</u>

2. LOAN FROM DIRECTOR

By reason of a demand made by Canadian Imperial Bank of Commerce, W. W. Robinson, one of the guarantors of a bank loan made to the company in November, 1964, took over the position of such bank. The loan carries interest at current bank rates.

3. PENSION FUND

There is a balance to the credit of the company of \$63,412 with the Sun Life Assurance Company of Canada which is not included among the assets in the accompanying balance sheet. This balance has arisen through withdrawals from the company's pension plan and has been utilized during 1969 to pay off in full all remaining annuities under the plan. The extent to which it is otherwise recoverable has yet to be determined.

4. SUBSEQUENT EVENT

On February 1, 1970 the company sold its land, buildings and equipment for \$600,000 payable \$25,000 in cash and the balance by a 9%, 10 year first mortgage receivable as follows:

- (1) \$ 2,000 per month on principal plus interest
- (2) \$75,000 on principal before February 1, 1971
- (3) Balance of principal due on maturity

Taxes payable on recapture of capital cost allowances on the sale of building and equipment amount to approximately \$125,000.

5. COMPARATIVE FIGURES

Certain 1968 figures have been reclassified to conform with the financial statement presentation adopted in 1969.

6. OTHER STATUTORY INFORMATION

Direct remuneration of directors and senior officers (as defined by The Corporations Act):

	<u>1969</u>	<u>1968</u>
Director	\$15,608	\$15,668
Other employees	<u>38,001</u>	<u>35,303</u>
	<u>\$53,609</u>	<u>\$50,971</u>

ROBINSON COTTON MILLS LIMITED

ANNUAL REPORT
for the
Year ended December 31, 1969

BOARD OF DIRECTORS

W. W. ROBINSON
F. SLATER

W. H. ROBINSON
W. W. BURKART

OFFICERS

W. W. ROBINSON	-	-	-	-	-	-	-	-	-	-	-	<i>Chairman</i>
W. H. ROBINSON	-	-	-	-	-	-	-	-	-	-	-	<i>President and Managing Director</i>
W. W. BURKART	-	-	-	-	-	-	-	-	-	-	-	<i>Vice-President</i>
JOHN F. PERRETT, Q.C.	-	-	-	-	-	-	-	-	-	-	-	<i>Secretary</i>

BANKERS

THE CANADIAN IMPERIAL BANK OF COMMERCE

TRANSFER AGENTS AND REGISTRARS

NATIONAL TRUST COMPANY LIMITED

AUDITORS

THORNE, GUNN, HELLIWELL & CHRISTENSON

SOLICITORS

ROBERTSON, LANE, PERRETT, FRANKISH AND ESTEY